

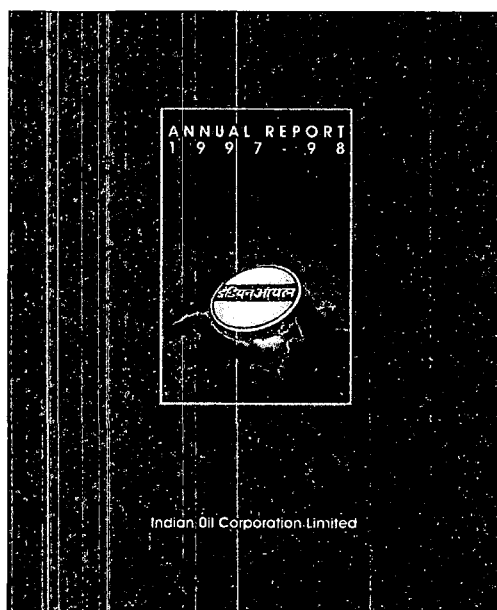
ANNUAL REPORT
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Indian Oil Corporation Limited

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*IndianOil.
Poised on new peaks
of performance.
Shimmering in the dawn
of a new era.
Facing the future
with rock confidence.
With a vision beyond tomorrow.*

Indian Oil Corporation Ltd.

Indian Oil Corporation Ltd. is the largest commercial undertaking in India and the only Indian company in *Fortune's* "Global 500" listing of the world's largest industrial and service companies with a ranking of 287 for fiscal 1997. Among the petroleum refining companies, it is ranked at 20th place by sales as well as profits.

Incorporated in 1959 as Indian Oil Company Ltd., it became a Corporation in 1964 when Indian Refineries Ltd. (Est. 1958) was merged with the company.

IndianOil owns and operates 6 of the country's 14 refineries with a refining share of over 40%. Its seventh refinery of six million tonnes per annum capacity at Panipat in north-west India will be commissioned shortly. Another grassroots refinery is planned on the east coast as a joint venture.

IndianOil has a 5,762-km network of pipelines comparable with that of any standard oil company in other parts of the world, for economical, reliable and eco-friendly transportation of crude oil and petroleum products.

IndianOil meets 55% of the petroleum products' consumption of India. It is also the canalising agency for import of crude oil and major petroleum products. Its extensive network of over 18,000 sales points covers the entire country, and is backed for supplies by 184 terminals and depots, 43 LPG bottling plants and 92 aviation fuel stations.

IndianOil is the only oil company in the country with ISO-9001/9002 accreditation for over 50 units which include refineries, pipelines, aviation fuel stations, lube and grease plants, quality control laboratories, LPG bottling plants and the IndianOil Institute of Petroleum Management. By the end of 1997-98, all the six refineries of IndianOil were accredited with ISO 14001 certification for environmental management systems.

IndianOil's comprehensive, ISO-9001 certified R&D Centre has done pioneering work in lubricants, refinery processes and pipeline

transportation. The Centre has developed over 1880 lubricant formulations and obtained approvals from national and international equipment builders. A wholly-owned subsidiary, Indian Oil Blending Ltd., manufactures over 450 grades of the country's leading *SERVO* brand lubricants and greases.

IndianOil nurtures the vision of becoming an integrated and diversified global energy corporation. It is augmenting infrastructure and expanding into exploration & production of crude oil, petrochemicals, power generation, LNG and fuel management. It is also globalising its R&D, training and consultancy services, and marketing, including lubricants.

IndianOil's joint ventures, Indo-Mobil and Avi Oil India, in association with Mobil, USA, and Nycos SA of France respectively, offer premium and speciality lubricants. Indian Oiltanking Ltd., in association with Oiltanking GmbH, Germany, and IBP Co, is developing tankage infrastructure. A strategic alliance exists with Air BP in the area of aviation fuel services.

While IndianOil is already managing an oil terminal in Zambia, its premium range of *SERVO* lubricants are being marketed in Nepal and UAE, with other markets to follow soon. Memoranda have been signed with Petronas of Malaysia, Marubeni of Japan, Petrotrin and National Petroleum Marketing Co. of Trinidad & Tobago, and Emirates National Oil Co. for collaborative ventures in both upstream and downstream areas, including training and consultancy.

As part of its diversification plans, IndianOil is studying offshore oil fields in India and abroad for commercial exploitation. Various proposals for collaboration, including deep water exploration, in India and abroad are contemplated with ONGC. Other collaborative efforts include LNG terminals at four port locations in India in a joint venture with other Indian and foreign companies. As a partner in Petronet India Ltd, setting up of product pipelines will also be taken up in the country. Five power projects are being set up with joint venture partners.

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Indian Oil Corporation Limited

Registered Office: IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East), Mumbai-400 051

39th Annual Report

In this Report one lakh corresponds to 0.1 million and one crore to ten million.

Corporate Mission

To become an integrated and diversified global energy corporation.

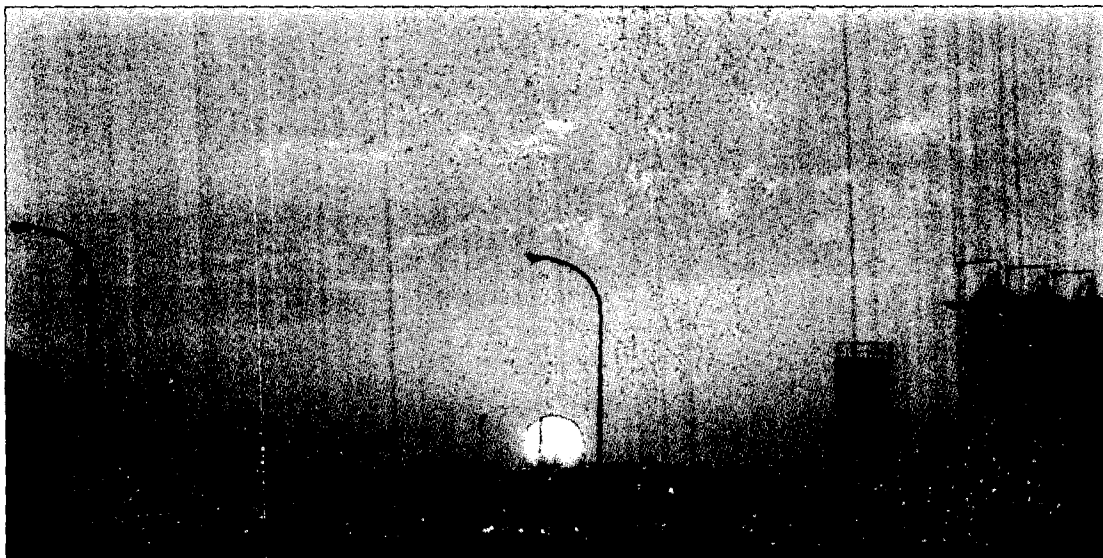
To achieve international standards of excellence in petroleum refining, marketing and transportation with concern for customer satisfaction.

To create a modern technology base for self-reliance, growth and development of the business.

To contribute to the national economy by providing adequate return on investment and by setting high standards of leadership in productivity and total quality.

To foster a culture of participation and innovation for employee growth and contribution.

To help enrich quality of life of the community and preserve ecological balance and national heritage.



Objectives and Obligations

OBJECTIVES

To serve the national interests in the oil and related sectors in accordance and consistent with Government policies.

To ensure and maintain continuous and smooth supplies of petroleum products by way of crude refining, transportation and marketing activities and to provide appropriate assistance to the consumer to conserve and use petroleum products efficiently.

To earn a reasonable rate of interest on investment.

To work towards the achievement of self-sufficiency in the field of oil refining by setting up adequate capacity and to build up expertise in laying of crude oil/petroleum product pipelines.

To create a strong research and development base in the field of oil refining and stimulate the development of new product formulations with a view to minimise/eliminate their imports and to have next generation products.

To maximise utilisation of the existing facilities in order to improve efficiency and increase productivity.

To optimise utilisation of its refining capacity and maximise distillate yield from refining of crude oil to minimise foreign exchange outgo.

To minimise fuel consumption in refineries and stock losses in marketing operations to effect energy conservation.

To further enhance distribution network for providing assured service to customers throughout the country through expansion of reseller network as per Marketing Plan/Govt. approval.

To avail of all viable opportunities, both national and global, arising out of the liberalisation policies being pursued by the Government of India.

To achieve higher growth through integration, mergers, acquisitions and diversification by harnessing new business opportunities like petrochemicals, power, lube business, consultancy abroad and exploration & production.



OBLIGATIONS

Towards customers and dealers

To provide prompt, courteous and efficient service and quality products at fair and reasonable prices.

Towards suppliers

To ensure prompt dealings with integrity, impartiality and courtesy and promote ancillary industries.

Towards employees

Develop their capability and advancement through appropriate training and career planning.

Expeditious redressal of grievances.

Fair dealings with recognised representatives of employees in pursuance of healthy trade union practice and sound personnel policies.

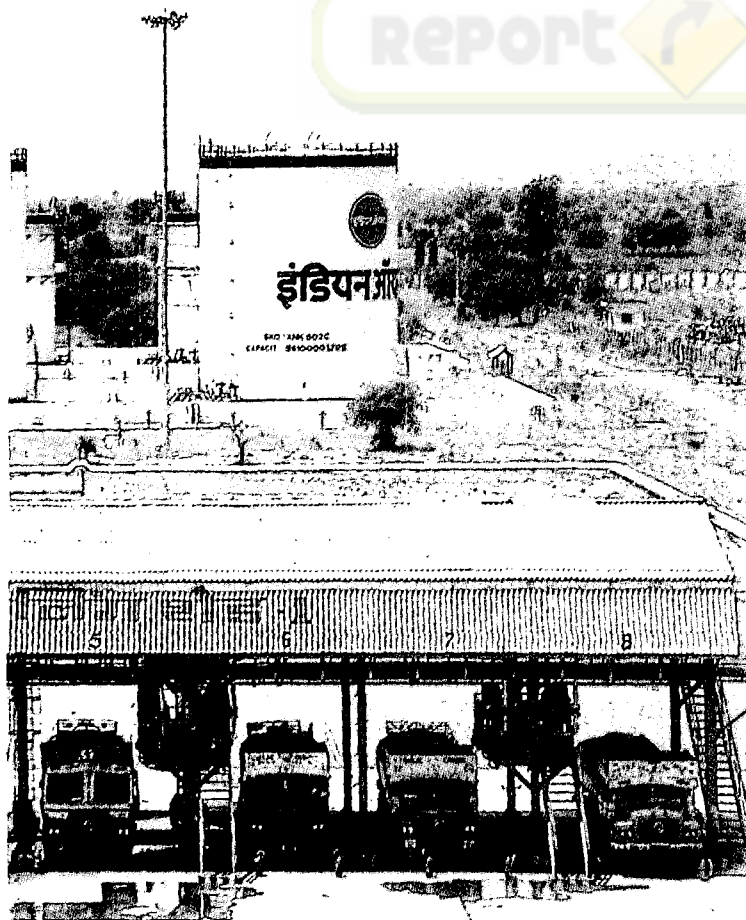
Towards community

To develop techno-economically viable and environment-friendly products for the benefit of the people.

To encourage progressive indigenous manufacture of products and materials so as to substitute imports.

To ensure safety in operations and highest standards of environment protection in its manufacturing plants and townships by taking suitable and effective measures.

To improve the condition of Scheduled Castes/Scheduled Tribes in pursuance of national policies.



To ensure adequate return on the capital employed and maintain a reasonable annual dividend on its equity capital.

To ensure maximum economy in expenditure.

To manage and operate the facilities in an efficient manner so as to generate adequate internal resources to meet revenue cost and requirements for project investment, without budgetary support.

To develop long-term corporate plans to provide for adequate growth of the activities of the Corporation.

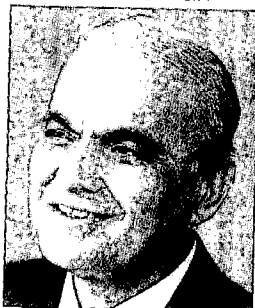
To endeavour to reduce the cost of production of petroleum products by means of systematic cost control measures.

To endeavour to complete all planned projects within the stipulated time and cost estimates.

Board of Directors

M. A. Pathan	Chairman	A. K. Arora	Director (Refineries)
S.N. Jha	Director (Pipelines) (w.e.f. 7.1.1998)	O.N. Marwaha	Director (Marketing) (w.e.f. 5.3.1998)
Subir Raha	Director (Human Resources) (w.e.f. 12.6.1998)	A. K. Bhatnagar (Dr.)	Director (R & D) (w.e.f. 22.7.1998)
S. C. Mathur	Director (Finance) (Upto 31.7.1998)	Subodh Mittal	Director (Personnel) (Upto 31.1.1998)
Devi Dayal	Director	Nirmal Singh	Director
Ravi Saxena	Director		
		Secretary	R. Narayanan

M. A. Pathan



A. K. Arora



S. N. Jha



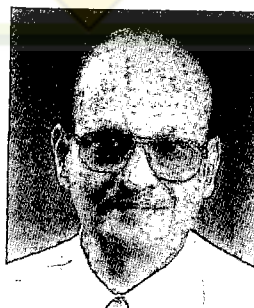
Board of Directors



O. N. Marwaha



Subir Raha



Dr. A. K. Bhatnagar



Devi Dayal



Nirmal Singh



Ravi Saxena

Principal Executives

CORPORATE OFFICE

M. B. L. Agarwal

Executive Director
(International Trade & Corporate Finance)

C. K. Dixit

Executive Director
(Internal Audit)

P. S. Govindarajan

Executive Director
(Planning)

B. B. Chakravorty

Executive Director
(Power Projects)

B. K. Mittal

Executive Director
(Human Resource)

G. Sarpal

Executive Director
(Human Resource Development)

S. C. Agarwal (Maj.)

General Manager
(Petrotech-99)

C. Dasgupta

General Manager
(Finance)

N. Biswas

General Manager
(Internal Audit)

S. C. Bose

General Manager
(Exploration & Production)

M. S. Kumar

General Manager (I/c)
(IIPM)

M. K. Suri

General Manager
(IIPM)

J. M. Gugnani

General Manager
(Business Development)

J. K. Puri

General Manager
(Information Technology)

B. M. Bansal

General Manager
(Business Development)

N. K. Nayyar

General Manager
(IT & Treasury)REFINERIES DIVISION
(HEAD OFFICE)

S. L. Das

Executive Director
(Human Resource)

J. L. Raina

Executive Director
(Projects)

R. K. Sabharwal

Executive Director
(Operations)

Rajendra Prasad

Executive Director
(M & I)

K. K. Konar

General Manager
(Projects)

S. C. Tandon

General Manager
(Technical)

Jaspal Singh

General Manager
(Eastern India Refinery Project)

J. K. Nobis

General Manager
(Administration & Welfare)

S. V. Narasimhan

General Manager
(Finance)

V. P. Sharma

General Manager
(Projects-Finance)

H. K. Bakshi

General Manager
(Projects)

V. C. Agarwal

General Manager
(Human Resource)

REFINERIES

L. K. Raina

Executive Director
Panipat Refinery Project

P. K. Biswas

Executive Director
Mathura Refinery

P. S. Rao

Executive Director
Gujarat Refinery

Tapas Ray

Principal,
IMA Haldia

R. Sah

General Manager (Tech.)
Mathura Refinery

P. V. R. Ayyar

General Manager (Tech.)
Panipat Refinery

B. K. Mukherjee

General Manager
Haldia Refinery

S. S. Saini

General Manager
Barauni Refinery

B. Chaudhary

General Manager (Fin.)
Gujarat Refinery

C. K. Raja

General Manager
Guwahati Refinery

B. P. Chattopadhyaya

General Manager (Projects)
Haldia Refinery

B. R. Choudhary

General Manager (Projects)
Mathura Refinery

K. Rajaram

General Manager (Fin.)
Mathura Refinery

Rohit Bhardwaj

General Manager (Projects)
Panipat Refinery

PIPELINES DIVISION

A. M. Uplenchwar

Executive Director
(Engg. & Consultancy)

K. M. Bansal

Executive Director
(Operations)

K. K. Sinha

General Manager
(Engg. & Consultancy)

K. N. Tripathi

General Manager
(Human Resource)

P. S. Balasubramanian

General Manager
(Construction)

S. Chakraborty

General Manager
(Operations)

Narayan Prasad

General Manager
Eastern Region

S. K. Garg

General Manager
(Finance)